

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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KDH CONSULTING GROUP LLC, directly and
derivatively on behalf of ITERATIVE CAPITAL, L.P.,

Plaintiff,

— against —

ITERATIVE CAPITAL MANAGEMENT L.P.,
ITERATIVE CAPITAL GP, LLC,
ITERATIVE OTC, LLC (D/B/A "I2 TRADING" AND
"ESCHER"), ITERATIVE MINING, LLC, BRANDON
BUCHANAN, CHRISTOPHER DANNEN,

Defendants.
----- X

20 Civ. 3274(VM)
ECF Case

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC#
DATE FILED: 4/27/2020

**[PROPOSED] ORDER TO SHOW CAUSE AND
TEMPORARY RESTRAINING ORDER**

On the Emergency Application ("Application") of Plaintiff KDH Consulting Group LLC ("Plaintiff"), upon reading the Verified Complaint, dated April 24, 2020, the annexed Declaration of Wayne Hatami dated April 26, 2020, Declaration of Rika Khurdayan dated April 27, 2020, Plaintiff's Memorandum of Law in Support of Its Emergency Application for an Order to Show Cause and Temporary Restraining Order dated April 27, 2020, and all accompanying papers and exhibits,

LET Defendants Iterative Capital Management L.P., Iterative Capital GP, LLC, Iterative OTC, LLC, Iterative Mining, LLC, Brandon Buchanan and Christopher Dannen ("Defendants") and all other interested persons, or their attorneys, **SHOW CAUSE BEFORE THIS COURT** at the United States Courthouse located at 11B Morgan Lewis Courthouse, 500 Pearl Street, New York, New York, 10017, Room 11B on May 11, 2020, at 10 A.m., or as soon as thereafter as counsel may be heard, *X*

*which hearing may, at the instigation of Judge Marrero,
be held telephonically or by video.*

why an Order should not be made and entered, pursuant to Rule 65 of the Federal Rules of Civil Procedure, pending a final disposition of this action:

- a. Enjoining Defendants, and their agents, representatives, employees or anyone else acting on their behalf, from dissolving, liquidating or converting ITERATIVE CAPITAL, L.P. (“Partnership”), ITERATIVE CAPITAL MASTER, L.P. (“Main Master Fund”) and ITERATIVE MINING MASTER, L.P. (“Mining Master Fund”) (collectively, “Fund Complex”) into a limited liability company or any other entity (collectively, as a series of transactions, “Restructuring”); and
- b. Enjoining Defendants from acting on their offer currently set to expire on April 28, 2020, including distributing assets in kind, if Plaintiff does not consent to the Restructuring; and
- c. Prohibiting Defendants from destroying, altering, or concealing documents in their possession, custody, or control, including documents concerning the allegations in the Verified Complaint or the assets or finances of Defendants, or preventing Plaintiff from access to the same; and
- d. Directing Defendants within five (5) days of the of the Court’s order, except as otherwise directed by the Court, to turn over books and records specified in Plaintiff’s Demand to Inspect Books and Records dated April 14, 2018; and
- e. Directing Defendants to redeem to Plaintiff its portion of the Fund Complex’s liquid portfolio without charging any Restructuring expenses against it; and
- f. Enjoining Iterative Capital GP, LLC and its affiliates from acting as the general

partner of the Partnership; and

- g. Enjoining Defendants from paying any cost or expense of Defendants in connection with this action from the Fund Complex's assets; and
- h. Enjoining Defendants from taking any other action that would impair the value of the Fund Complex or its assets.

IT IS HEREBY ORDERED that pending a hearing and determination of the Plaintiff's Application, from the date of this Order:


- a. Defendants, and their agents, representatives, employees or anyone else acting on their behalf, are temporarily enjoined and restrained from proceeding with the Restructuring; and
- b. Defendants are temporarily enjoined and restrained from acting on their offer currently set to expire on April 28, 2020, including distributing assets in kind, if Plaintiff does not consent to the Restructuring; and
- c. Defendants are temporarily enjoined and restrained from destroying, altering, or concealing documents in their possession, custody, or control, including documents concerning the allegations in the Verified Complaint or the assets or finances of Defendants, or preventing Plaintiff from access to the same; and
- d. Defendants are temporarily enjoined and restrained from taking any action that would impair the value of the Fund Complex or its assets; and
- e. Defendants within five (5) days, except as otherwise directed by the Court, should turn over books and records specified in Plaintiff's Demand to Inspect Books and

Records dated April 14, 2018.

IT IS FURTHER ORDERED that a copy of this Order to Show Cause and the papers on which it is based, shall be served upon on or before April ~~May~~ ²⁹, 2020, by personal delivery, facsimile, overnight courier, mail to Defendants' attorney William F. Mongan, Esq. of Akin Gump Strauss Hauer & Feld LLP, at One Bryant Park, New York, NY 10036 ~~or~~ ^{and} by email to wmongan@AKINGUMP.com, ~~or~~ ^{and} to Defendants' principals by email at partners@iterative.capital.

IT IS FURTHER ORDERED that Defendants shall deliver any opposing papers in response to the Order to Show Cause no later than May 6, 2020, at 5:00 p.m. by emailing the papers to rk@dilendorf.com and receiving a reply email confirming receipt or by sending the papers by overnight courier service to Dilendorf Khurdayan PLLC, 60 Broad Street, 24th Floor, Attn: Rika Khurdayan, and this shall be deemed good and sufficient service. Plaintiff shall have until May 8, 2020, at 5:00 p.m., to serve, by the most expeditious means available, any reply papers upon Defendants or their counsel, if counsel shall have made an appearance in this action.

IT IS FURTHER ORDERED that security in the amount of \$20,000 be posted by Plaintiff prior to April 28, 2020, at 3:00 p.m.


CHIEF UNITED STATES DISTRICT JUDGE

Issues at: 4:00 P.m.
April 27, 2020
New York, New York